



Potelco's investment pays back in less than a year.

Potelco avoids rental charges, reduces depreciation expenses, and right sizes inventory



"Implementing RECON's Asset Management System for our tools, equipment, and trailers was one of the best decisions we've made"

- Gary Tucci, CEO,
Potelco

Executive Summary

- After investing in RECON's technology, Potelco was able to see how often, and where, their equipment was being used. Using this information they were able to sell off unused equipment, rent when necessary, and avoid over-purchasing new equipment. In one year, saved over \$400k in depreciation expense by selling off close to \$3M in unnecessary equipment
- Avoided paying over \$500k in rental fees because of notifications and easy to locate equipment
- Reduced their tool purchases by close to \$1M in one year because "lost" tools were suddenly found

Challenges

Potelco is an electric utility contractor that does business across the Pacific NW. They're an operating unit of Quanta Services, a company with \$8B in annual sales. Potelco strives to be the best in everything they do, and operating their business more efficiently is no different.

After hearing and learning more about what IoT could mean for them. They challenged themselves to see if they could use IoT devices to improve the visibility and operations of their business.

One of the biggest challenges they ran in to was a lack of systems that seemed ready to stand up to their rugged and abusive work. The other problem they kept running in to was the range of network signals, and the need for more manual work practices. Potelco wanted their guys to focus on doing what they do best - building electric grids - not wasting time scanning tools.

How RECON Helped

Potelco chose RECON's [wireless Asset Management System](#) for their tools and equipment because it had better range, a more industrial (robust) design, and a hands-off automatic approach that really appealed to them. It's used to keep tabs on over 1,700 pieces of tools, equipment, and trailers.

After installing the hardware, RECON configured the system to Potelco's requirements - providing data they'd never had before. Right off the bat, Potelco took advantage of RECON's utilization reports to see exactly how often their assets were being used. This information allowed them to make decisions about which pieces of inventory they could sell, should rent, and/or return. Because RECON helped Potelco increase visibility, the time necessary to make a decision went from over 1 year to less than 2 months.

On top of the utilization reporting, Potelco used the system to locate their entire inventory of assets they placed sensors on. This information saved them money on the duplication of purchases. Before, equipment went "lost or missing" and they just bought more. After RECON, they were able to locate these "missing" assets and save on those purchases.

Results, Return on Investment and Future Plans

The results Potelco has received are beyond what they expected. They've operated the system for over 4 years now, with expenses on the system coming in a little over \$700k over those four years. In the first year of operating with RECON, they were able to save close to \$2M in reduced purchases, avoided depreciation expense, and rental fees.

Their initial investment broke even in a little over 10 months, and they're now looking for new assets to expand the RECON system in to. On a yearly basis, the system pays for itself 2-3 times because they're able to sell off hundreds of under-utilized assets and avoid unnecessary new purchases or rentals.

"Maximizing the utilization of our fleet is top priority at Potelco, I'm pleased to share that RECON is assisting us with this priority"

- Kate Siefert, Operations Manager,
Potelco